



## Illinois Department of Revenue

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# E-Connection



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*A Newsletter for Electronic Return Originators (EROs) and Software Developers*

## Are you part of the active network?

It's only March and the number of tax professionals currently enrolled in our e-File program compared to this same time last year is up by 51 percent! We now have over 14,000 tax professionals enrolled. By using e-File, you provide your clients with

- ◆ a guarantee that we received their IL-1040s,
- ◆ relief that we receive their IL-1040s error free,
- ◆ an option to direct deposit and receive a quick refund, and
- ◆ an option to pay electronically either by electronically withdrawing from their bank accounts or using their VISA, MasterCard, Discover, or American Express credit card.



## Filed or Not Filed — that is the question!

You must receive an acknowledgment for each electronic IL-1040 you file. The acknowledgment confirms your clients' return was accepted or rejected. A rejected return is considered nonfiled and further action is necessary, so be sure you receive and review your acknowledgments.

## Are you wondering about refund delays?

The fact is — we process paper IL-1040s as quickly as possible. However, this takes time and human resources. Again this year, the budget is tight! As a result, fewer employees are available to manually open, sort, and key enter paper returns.

The best way to avoid a refund delay is to file your clients' returns electronically and choose the direct deposit option. We will continue to deposit refunds in about one week for these taxpayers.

It's a win-win-win for you, your client, and us!

### Also . . .

You will find a schedule of when direct deposits should be made available to taxpayers that file electronically. You can find this schedule on our Web site at [www.ILtax.com](http://www.ILtax.com) under **Tax Professionals** and **What's New**.

## Avoid us contacting your client. Follow the 2 day rule!



Through communication with a large portion of our tax professional community, we learned that directly contacting your clients for information makes it appear that you, the tax professional, have made a mistake. In order to accommodate our needs and yours, we may phone your office and request faxed copies of a client's Form IL-8453, out-of-state return or W-2s. It is important that you fax that information to us immediately. If we do not have it within 2 days, that taxpayer will receive an ITR-76, Notice of Missing Information, showing that line items have been disallowed and requesting documentation. Please help us retain this process by faxing documentation we request in a timely manner.

## Coming Attractions

We have many electronic filing applications in the works.

**FSET** — is a program that will allow the filing and payment of federal and state withholding as well as unemployment insurance. This program should be introduced during 2004.

**ST-1** — An Internet based ST-1 (Sale and Use Tax Return) application is being developed. The projected deployment date for this program is late 2004.

Watch for future notices from the department on these programs.



## Remember

- Get an acknowledgment for each electronic IL-1040.
- Fax requested information, following the 2 day rule, to avoid your client receiving an ITR-76, Notice of Missing Information.
- Complete Schedule CR carefully to avoid errors.

## Problems with Schedule CR

Review your Schedule CR calculations very carefully. We are seeing a number of errors. The most common error is when the income taxed by another state and the income taxed by another taxing district within that state, (i.e. county, city) are being added together. **ONLY** the larger of the two income amounts should be reported on Schedule CR, Line 4, double-taxed base income.

Schedule CR, that you must file if you are an Illinois resident.

2 See instructions before completing Columns A, B, and C.

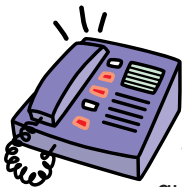
	Column A State (Two letter postal abbreviation)	Column B Name of Taxing District (i.e., county, city or local - see instructions)	Column B Illinois base income taxed by other state (This amount may not exceed Line 1. See instructions)	Column C Income tax paid to other state (on the income shown in Column B)
a	MO	MO	58,459	2,191
b	MO	St. Louis	58,754	588
c				
d				
e				
f				
g				
h				
				2,779
				58,754

Note: Schedule CR, Line 4 double taxed base income can not be greater than IL base income taxed by other state a through h. When Schedule CR, Step 2, Column A state name a through state name h contain multiple entries for the same state, only the greatest amount from each state may be included in Schedule CR Line 4 Double Taxed Base Income.

3 Add Column C, Lines 2a through 2h (and the amounts from Column C of any additional pages you attached). This is the total income tax paid to other states on Illinois base income.

4 Write your double-taxed base income from Column B (and the amounts from Column B of any additional pages you attached). This amount may not exceed Line 1. (See instructions.)

## We're only a phone call away!



Our toll-free telephone number, **866 440-8680**, was installed exclusively for tax professionals filing electronic returns. It's a direct line to the Electronic Filing Section. We're here to help you with any problems or questions regarding electronic IL-1040 returns.

**Please do not provide this telephone number to your clients.** The toll-free telephone number available for your clients is **800 732-8866**.

### Important Dates

**April 15, 2004** — Last date to timely pay income tax.  
**October 15, 2004** — Last day to transmit electronic returns. The returns must be received prior to midnight.

## Fraud!

If you suspect fraudulent information is being filed, be sure to let the Illinois Department of Revenue know. You can contact us at **866 440-8680**.

## Electronic Filing Booklets!

All electronic filing booklets are available on the department's Web site. The location of the booklets is **www.ILtax.com/TaxProfessionals**. The booklets include the IL-1345, IL-1346, IL-1347, and IL-1348.

### Refund Inquiries

To check on a refund visit our Web site at **www.ILtax.com** and click on Refund Status Inquiry. If you prefer, call us at **800 732-8866**.

## Get E-Connection Electronically

Let us add your name to the list of over eight thousand EROs who are receiving E-Connection electronically. **It's easy!** Just send us your e-mail address at **EConnection@revenue.state.il.us**.

